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LIQUID
INTELLIGENT TECHNOLOGIES

Q1 FY23 Results

26 July 2022



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Presenters



Kate Hennessy
Group Chief Financial Officer

Q123 highlights

A stable Q1 excluding the impact of FX movements

Strategic highlights:

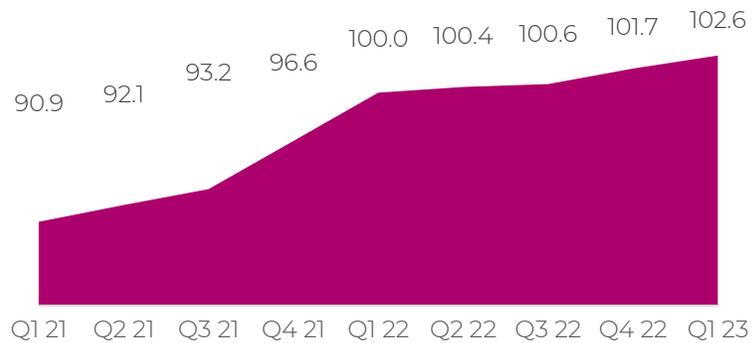
- Further expansion of network coverage in DR Congo by bringing fibre optic services to additional key towns and cities along the Goma to Kinshasa route
- Continued growth of our Cloud and Cyber Security segment driven by adoption of new digital services by both our SME and large enterprise customers
- New Software Defined Network launched to provide fast, reliable, scalable and on-demand connectivity across Africa

Financial highlights:

- Cash generated from operations more than doubled YoY to USD 39.1 million due to improved working capital
- Stable first quarter year-on-year: revenue of USD 143.0 million with the decline attributable entirely to a rapid depreciation of the local currency in Zimbabwe as well as other adverse FX movements
- Adjusted EBITDA¹ of USD 46.3 million impacted by the exchange rate impacts and additional costs from loadshedding and floods in South Africa
- Net debt² at the end of the period was USD 833.9 million, giving a net debt to adjusted EBITDA^{1,2,3} ratio of 2.91x against the - now lower - 4.0x covenant threshold

Q123 key performance indicators

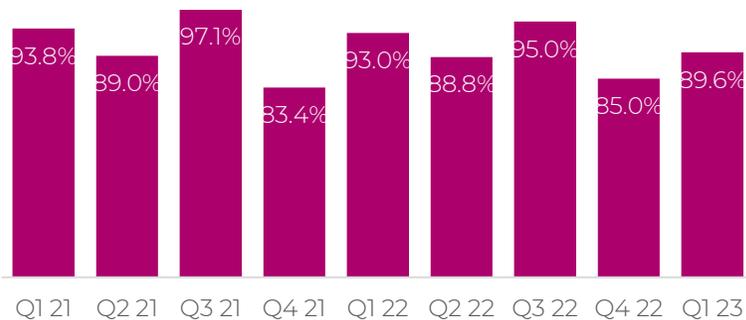
Total fibre network (kms 000)¹



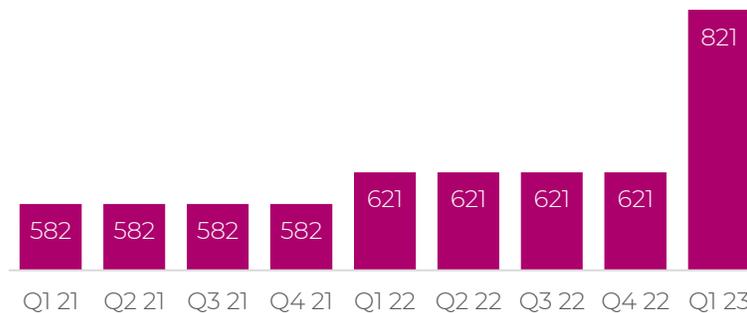
Average churn rate²



Monthly recurring revenue³



Subsea capacity (Gbps)⁴



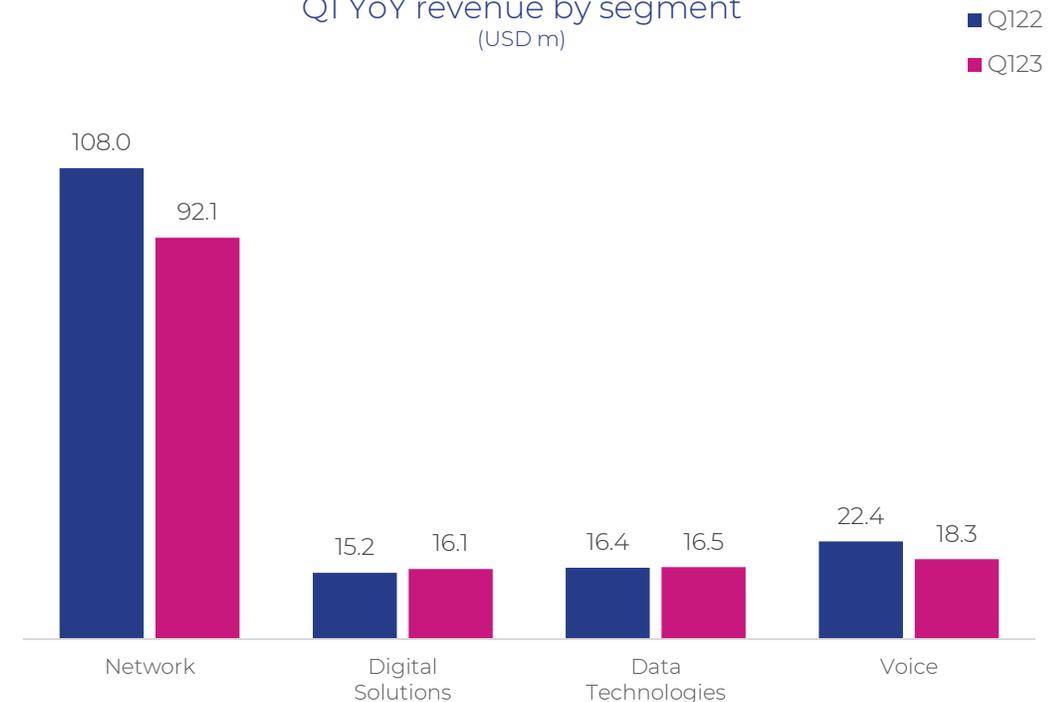
Source: Company information

¹ Total fibre network in kilometres (incl. backbone, metro and FTTX) through which fibre is installed. Multiple kilometres of fibre cables or ducts within the same trench/overhead line are counted individually. Includes both owned and leased capacity through partnerships. ² Average churn rate represents the monthly recurring revenue that was lost during the month following a price reduction or termination of service due to disconnections, downgrades, price reduction and non-renewals, divided by the total revenue for the month. ³ Monthly recurring revenue is the total of all recurring revenue in the period normalised into a monthly amount and expressed as a percentage of total revenue in the same period. ⁴ Capacity, in gigabits per second, purchased by, activated by, or reserved for, Liquid Intelligent Technologies on subsea cables (incl. IRUs).

Q123 YoY revenue by segment

- **Network revenue was down 14.7% YoY driven by Zimbabwe, excluding this it increased by 5.4% driven by a strong performance in Rest of Africa Network revenue.**
- **Digital Solutions continued to grow steadily, up 5.9% YoY to USD 16.1 million driven by growth in Rest of Africa and Rest of World**
- **Data Technologies revenue in the first quarter was stable YoY at USD 16.5 million.**
- **Voice revenues continued to follow ongoing global trends and declined 18.3% to USD 18.3 million. Our focus remains on targeting higher margin destinations.**

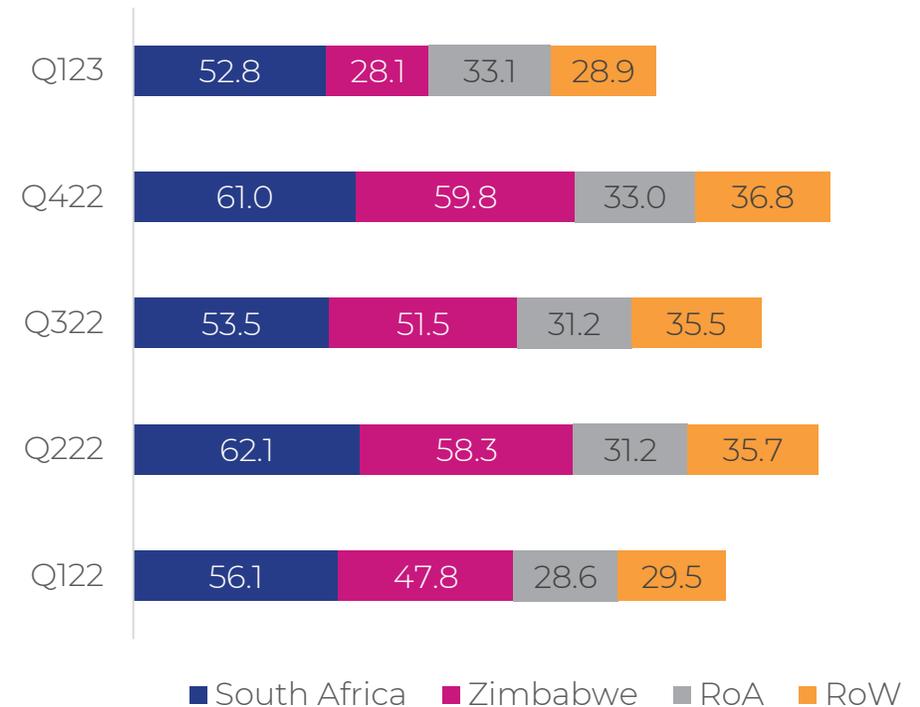
Q1 YoY revenue by segment
(USD m)



Quarterly revenue by geography

- **Excluding the impact of the adverse FX movement and the decline in Voice revenue South African was flat YoY**
- **Zimbabwe decline driven by the adverse FX movements and the impact of delayed price rises**
- **Rest of Africa revenue grew strongly, up 16%, driven by growth across all segments**
- **Rest of World declined entirely due to voice which was partly offset by growth in all other segments in particular Data Technologies**

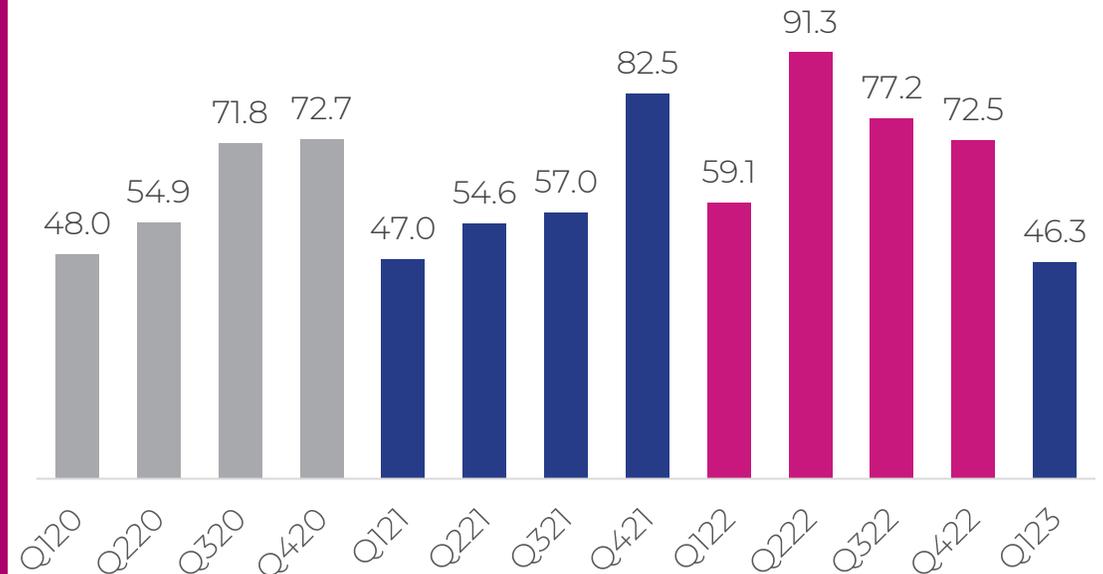
Quarterly revenue progression by geography
(USD m)



Adjusted EBITDA

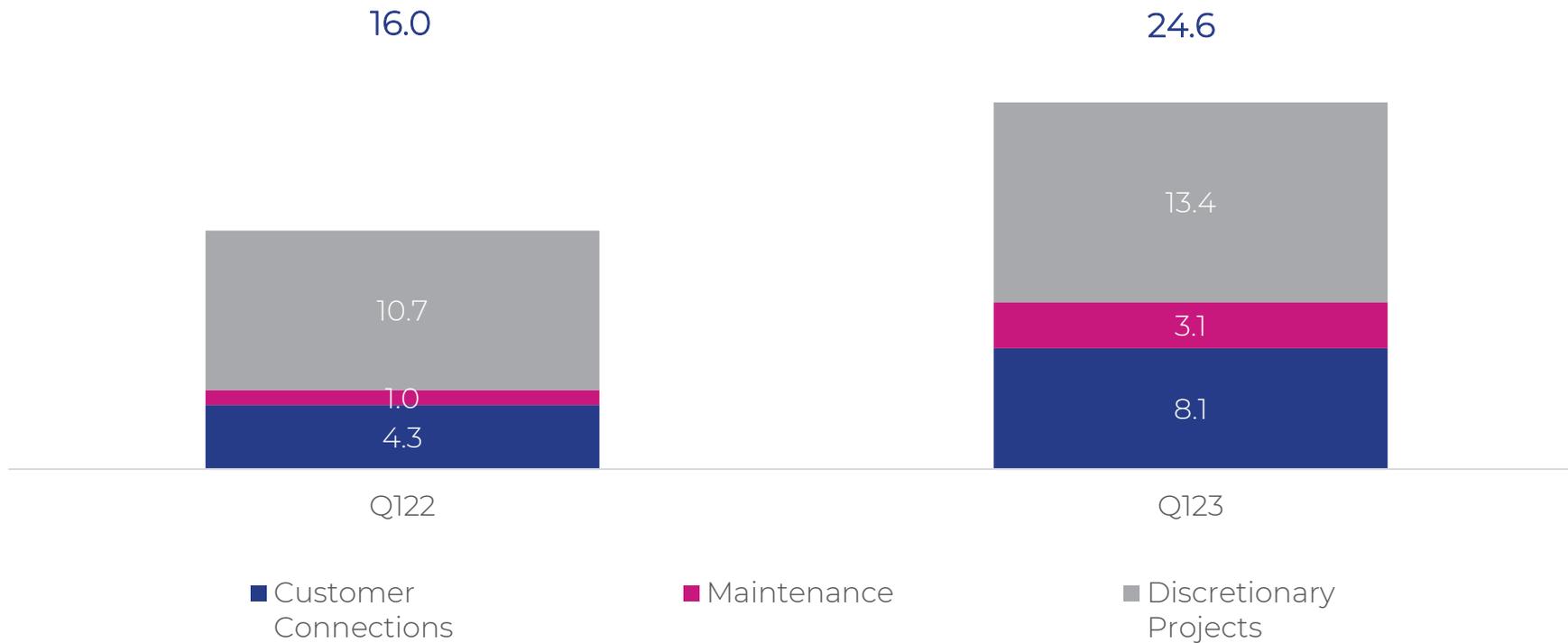
All figures USD m unless stated	Q123	Q122	YoY
Revenue	143.0	162.0	(11.7)%
Gross profit	101.3	118.9	(14.8)%
Gross profit margin (%)	70.8%	73.4%	(2.6)pp
Overheads and other income	(55.0)	(59.8)	8.0%
Adjusted EBITDA ¹	46.3	59.1	(21.7)%
Adjusted EBITDA ¹ margin (%)	54.0%	35.1%	18.9pp

Quarterly adjusted EBITDA¹ trend
(USD m)

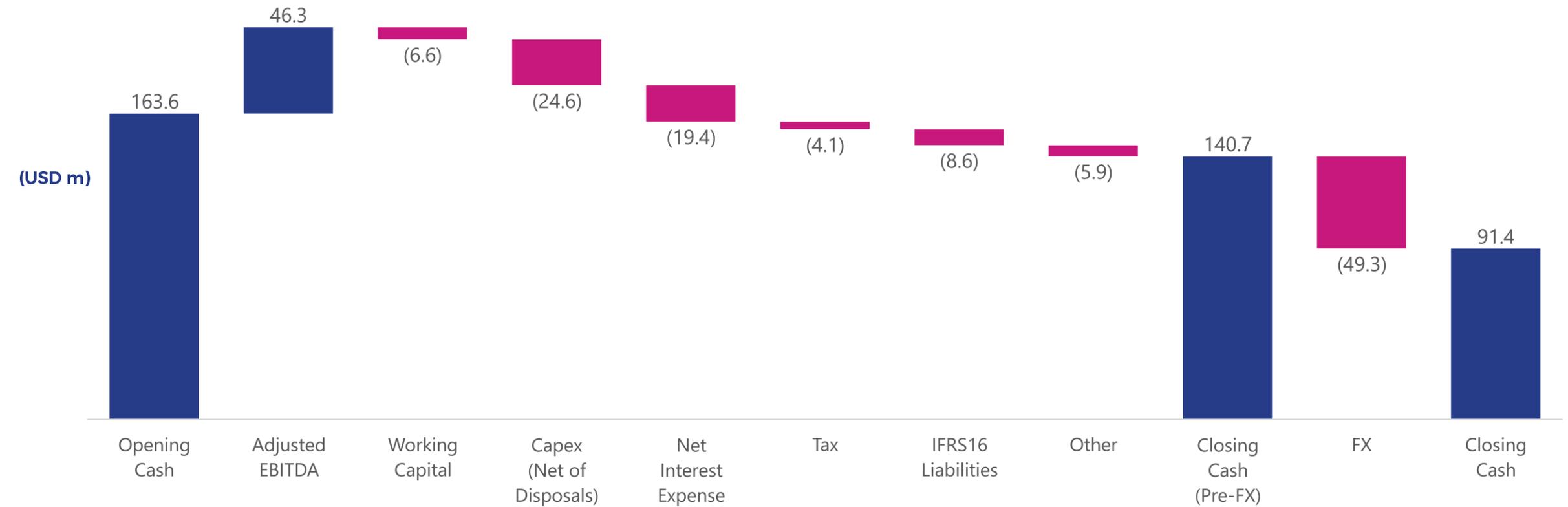


Capex in Q1 FY23

Capex by type
(USD m)

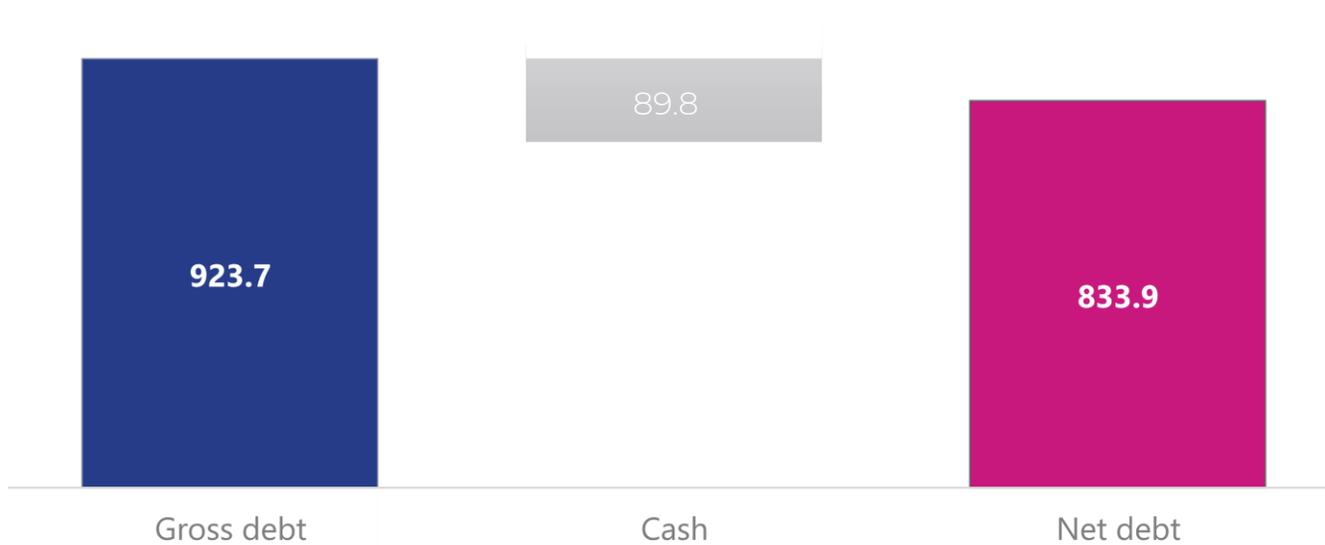


Cash flow Q1



Debt and leverage

Post IFRS16 Gross and Net Debt
USDm



Reported leverage	2.9x
Covenant threshold	4.0x

FY23 Outlook considerations

Revenue & Adjusted EBITDA

- Declining contribution from Zimbabwe
- Further exchange rate volatility
- Internal focus on USD revenue

Capex

- Expect a similar investment level to FY22 (~USD 120 million)



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Q&A

Appendix

Q123 Income statement

All figures USD m unless stated	Q123	Q122	YoY %
Revenue	143.0	162.0	(11.7)
Adjusted EBITDA ¹	46.3	59.1	(21.7)
Adjusted EBITDA margin %	54.0%	35.1%	18.9pp
Depreciation, amortisation and impairment	(29.1)	(29.8)	2.3
Operating profit	17.2	29.3	(41.3)
Finance costs	(18.0)	(17.3)	(3.8)
Net foreign exchange loss	(111.1)	(6.9)	(1,509.5)
Hyperinflation monetary adjustment	43.2	16.9	155.7
Other ²	20.4	13.9	46.8
Profit / (loss) for the year	(48.3)	35.9	(234.5)

Source: Company information

¹ Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, impairment and amortisation, and is also presented having adjusted for the following items: restructuring costs, acquisition and other investment costs, net foreign exchange (loss)/gain, hyperinflation monetary gain and share of profit from associate

² Includes restructuring costs, acquisition and other investment costs, interest income, share of profit of associate and tax credit

Aged debtor analysis

Aged debtor analysis by quarter
(USD m)

